

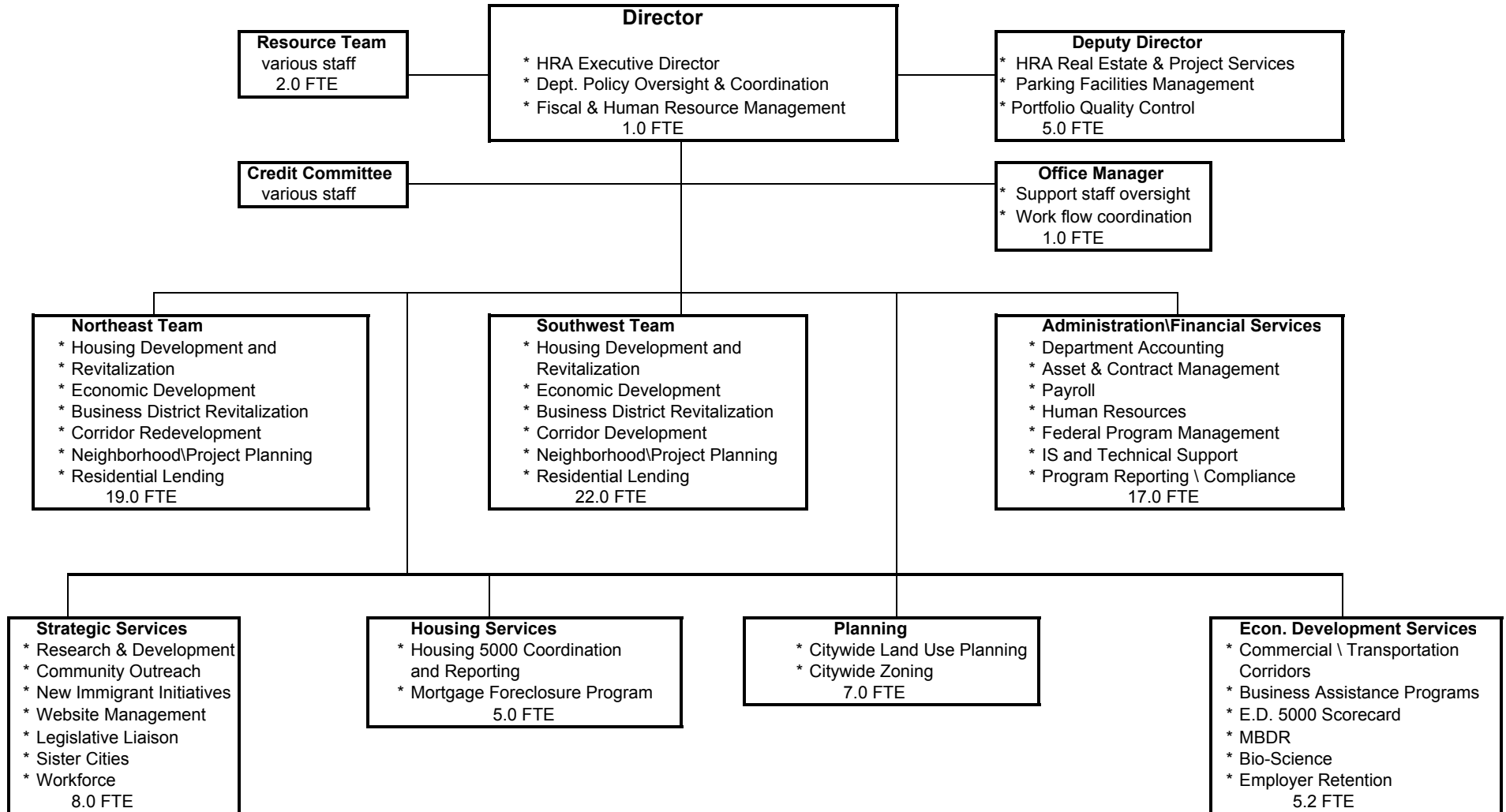
Department of Planning and Economic Development

Mission Statement

In partnership with our community, promote investment and increase value in Saint Paul's housing and economic development initiatives.

Planning and Economic Development

Total 92.2 FTEs



Strategic Plan Accomplishments and 2005 Priorities

PED's mission is to grow jobs and promote investment that maintains and expands Saint Paul's tax base. This is accomplished through the promotion of new housing, strategic commercial and economic development, and careful planning that builds on past accomplishments to define our vision for the future.

2004 ACCOMPLISHMENTS

1. Continued successful implementation of Housing 5000 initiative, including the expected production of 3,750 new housing units by 12/31/04, at least 20% of which will be affordable in accordance with the program goals.
2. The Traditional Neighborhood Zoning ordinance was completed and adopted, streamlining and clarifying citywide zoning regulations, and facilitating the development of mixed use, pedestrian-oriented neighborhoods.
3. Implemented a second successful year of the Minority Business Development and Retention Initiative, including the Socially Responsible Investment Program and creation of a network of community partnerships to increase technical and financial resources for women, minorities, and small businesses.
4. Provided economic development assistance through the Strategic Investment Fund, creating financial incentives for healthy, growing companies relocating to Saint Paul.
5. Moved forward with the sale of the Biotechnology incubator, assisted in the establishment of the Capital City Bioscience Corporation. Continued to promote and encourage the biosciences through the provision of professional and technical assistance, and furthered the establishment of the city's BioScience Corridor.
6. Provided strategic investment in public infrastructure and amenities, and private development, in commercial corridors, including MainStreet Initiatives on Payne Avenue, Selby Avenue, and District Del Sol.
7. Continued to promote the conversion of Class B and Class C downtown office properties to residential use, thereby reducing office vacancies and increasing downtown residents (which will in turn increase demand for retail, hospitality and related services.)
8. Established the Small Business Expansion Program in partnership with the Community Reinvestment Fund and local lenders. The action has leveraged New Market Tax Credits to create below market loans in targeted areas.

2005 PRIORITIES

2005 will present another extremely challenging year for PED. Shrinking financial resources, increased needs, and a constant work force are a reality. Prioritizing needs, assessing economic impact, and targeting resources will be paramount. The creation of new partnerships, maintaining current revenue streams, and cultivating new financial opportunities are clearly goals for 2005. PED staff welcome the challenge.

Implementation of the fourth year of the Housing 5000 Plan, building on the initial successes of the commercial corridor development, and capitalizing on downtown and riverfront opportunities all represent priorities. Work with our public, private, and community-based partners will be critical as adopted plans and projects become realities. Outreach to under-represented groups will continue to be a priority, along with simplifying process and procedure. Finally, staff will remain flexible, and be in position to take advantage of new housing, commercial, and economic development opportunities as they arise.

1. Focus economic development activities on increasing investment, promoting partnerships, creating jobs, and sustaining the tax base.
2. Complete implementation of Housing 5000, by 12/31/05 (20% of which will be affordable), and increase the ongoing investment in existing housing stock.
3. Continue development of key commercial/transportation corridors through concentration of private and public investment in transportation infrastructure, housing and commercial development, and public amenities.
4. Complete development of the University of Minnesota biotechnology incubator and promote development of the new Saint Paul bioscience corridor.
5. Continue and expand the efforts of the Minority Business Development and Retention and Small Business Expansion Programs
6. Target areas of disinvestment for economic renewal and revitalization.
7. Reclaim brownfield sites into productive residential and commercial properties.
8. Pursue Federal, State and local partnerships, concentrating on higher education and health care.
9. Engage community and business groups, and encourage involvement by all sectors of the community to promote responsible decision making.

Planning & Economic Development

Department/Office Director: **SUSAN E KIMBERLY**

	2002 2nd Prior Exp. & Enc.	2003 Last Year Exp. & Enc.	2004 Adopted Budget	2005 Mayor's Proposed	2005 Council Addopted	Change from Mayor's Proposed	2004 Adopted
<u>Spending By Unit</u>							
001 GENERAL FUND	1,097,106	793,278	108,483	109,083	109,083		600
100 COMMUNITY DEVELOPMENT BLOCK GRANT	11,247,701	8,688,961	11,854,000	11,854,000	11,854,000		
101 NEIGHBORHOOD REVITALIZATION PROG	3,714,622	1,039,264					
108 SECTION 108 PROGRAMS		3,409					
126 PED OPERATIONS FUND	8,947,983	7,957,764	8,719,707	8,975,468	8,975,468		255,761
130 PARKING AND TRANSIT FUND	6,543,108						
133 HOUSING INFO OFFICE - PED		9					
149 CITY DWTN CAPT'L PROJS NOTE REPAY F	4,696,174	7,422,720					
Total Spending by Unit	36,246,694	25,905,405	20,682,190	20,938,551	20,938,551	0	256,361
<u>Spending By Major Object</u>							
SALARIES	5,515,997	5,209,044	5,557,001	5,636,051	5,636,051		79,050
SERVICES	5,843,202	4,874,106	1,286,538	1,480,176	1,480,176		193,638
MATERIALS AND SUPPLIES	51,467	37,523	67,500	79,470	79,470		11,970
EMPLOYER FRINGE BENEFITS	2,162,748	1,727,314	1,804,816	1,736,754	1,736,754		-68,062
MISC TRANSFER CONTINGENCY ETC	22,600,831	14,029,244	11,951,335	11,991,100	11,991,100		39,765
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS	72,449	28,174	15,000	15,000	15,000		
Total Spending by Object	36,246,694	25,905,405	20,682,190	20,938,551	20,938,551	0	256,361
Percent Change from Previous Year		-28.5%	-20.2%	1.2%	0.0%	0.0%	
<u>Financing By Major Object</u>							
GENERAL FUND	1,097,106	793,278	108,483	109,083	109,083		600
SPECIAL FUND							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE	12,038,892	7,282,197	9,854,000	9,854,000	9,854,000		
FEES, SALES AND SERVICES	9,651,645	8,104,585	8,713,421	8,975,468	8,975,468		262,047
ENTERPRISE AND UTILITY REVENUES	28,200	44,245	2,000,000	2,000,000	2,000,000		
MISCELLANEOUS REVENUE	3,376,588	1,783,367					
TRANSFERS	4,394,911	7,841,494					
FUND BALANCES			6,286				-6,286
Total Financing by Object	30,587,342	25,849,166	20,682,190	20,938,551	20,938,551	0	256,361
Percent Change from Previous Year		-15.5%	-20.0%	1.2%	0.0%	0.0%	

Budget Explanation

Major Changes in Spending and Financing

As was the case in 2004, the 2005 PED Operations is budgeting no City General Funds. The result is the City realizing a General Fund savings of more than \$1.0 million. Spending reductions continue to account for the financing reduction, 2005 proposed FTE's are 92.2, or a .7 FTE increase over 2004. The 2003 budget included 101.6 FTE's.

Creating the 2005 Budget Base

The 2004 adopted budget was adjusted to set the budget base for the year 2005. The actual 2004 salary rates were implemented and the cost of one pay day was removed because 2004 was a leap year, with one extra work day. The base includes the planned salaries and growth in fringes for 2005 for employees related to the bargaining process, and a small 2% growth for normal inflation on goods and services.

The budget base also reflects the city-wide policy decision to alter the way we account for the costs of workers' compensation: moving away from an indirect allocation method and to a direct charge approach recording each department's costs in their own department budget. So, a separate line item budget for workers' compensation was included in specific department activity base budgets.

Mayor's Recommendations

The Proposed Budget reflects a continuation of staff and service levels comparable to the 2004 budget.

Council Actions

The city council adopted the Planning and Economic Development budget as proposed by the Mayor.